

Internal Revenue Service, Treasury

§ 48.4041-15

United States, unless by statute specifically exempted from these taxes. However, the exemptions from these taxes provided by section 4041 (f), (g), and (h) and the regulations thereunder contained in this subpart F are available to the extent therein provided.

[T.D. 8066, 51 FR 20, Jan. 2, 1986]

§ 48.4041-13 Other credits or refunds.

(a) *In general.* For provisions relating to credit or refund of tax paid on taxable liquid fuel resold by the purchaser, or used otherwise than for the purpose for which purchased, see section 6427 and the regulations thereunder contained in Subpart O of this part.

(b) *Tax-paid liquid fuel used by local transit systems.* For provisions relating to credit or refund in the case of taxable liquid fuel used in vehicles while engaged in furnishing scheduled common carrier public passenger land transportation service along regular routes, see section 6427(b) and the regulations thereunder contained in Subpart O of this part.

(c) *Credit or refund of diesel fuel differential amount.* For provisions relating to an income tax credit or refund of the increased diesel fuel tax for original purchasers of diesel-powered automobiles and light trucks, see section 6427(g) and the regulations thereunder contained in Subpart O of this part.

[T.D. 8066, 51 FR 20, Jan. 2, 1986]

§ 48.4041-14 Exemption for sale to or use by certain aircraft museums.

(a) *In general.* (1) The tax imposed by section 4041 does not apply to liquids which are sold for use or used by an aircraft museum in an aircraft or vehicle owned by such museum and used exclusively for the procurement, care, and exhibition of aircraft of the type used for combat or transport in World War II.

(2) In the case of liquid sold for use in an aircraft owned by an aircraft museum and to be used for the purposes described in paragraph (a)(1) of this section, a tax-free sale may be made only if the requirements of § 48.4041-11 are met.

(b) *Cross reference.* For the definition of aircraft museum, see section 4041(h)(2).

[T.D. 8066, 51 FR 20, Jan. 2, 1986]

§ 48.4041-15 Sales to States or political subdivisions thereof.

(a) *Application of exemption.* The taxes imposed by section 4041 do not apply in the case of a sale of any liquid by any person for the exclusive use of any State or any political subdivision thereof, the District of Columbia, or in the case of the use of any liquid by any State or any political subdivision thereof, or the District of Columbia, as a fuel in a motor vehicle, motorboat, or aircraft.

(b) *Evidence required to establish exemption.* Any vendor claiming exemption under this section shall be prepared to produce evidence that will establish the right to exemption from the tax imposed by section 4041. Generally, orders or contracts of a State or a political subdivision thereof, or the District of Columbia, when signed by an authorized officer thereof will be accepted in support of the exemption. However, in the absence of such orders or contracts, a certificate signed by such an authorized officer that the liquid sold was purchased for the exclusive use of a State or political subdivision thereof, or the District of Columbia, will be acceptable. The certificate shall be in substantially the following form:

EXEMPTION CERTIFICATE

(For use by States and local governments. (section 4041(g)(2) of the Internal Revenue Code).)

Date \_\_\_\_\_, 19\_\_\_\_.

I hereby certify that I am \_\_\_\_\_ of \_\_\_\_\_ (State or local government) that I am authorized to execute this certificate; and that

(Check applicable type of certificate)

\_\_\_\_\_ the liquid or liquids specified in the accompanying order, or on the reverse side hereof, (or)

\_\_\_\_\_ all orders placed by the purchaser for the period commencing \_\_\_\_\_ (Date) and ending \_\_\_\_\_ (Date) (period not to exceed 12 calendar quarters) are, or will be, purchased from \_\_\_\_\_ (Name of vendor) for the exclusive use of \_\_\_\_\_ (Governmental

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unit) of \_\_\_\_\_ (State or local government).

I understand that the exemption from tax in the case of sales of liquids under this exemption certificate is limited to the sale of articles purchased for the exclusive use of a State, etc. I understand that the fraudulent use of this certificate for the purpose of securing this exemption will subject me and all parties making such fraudulent use of this certificate to a fine of not more than \$10,000, or to imprisonment for not more than 5 years, or both, together with costs of prosecution.

Signature \_\_\_\_\_

Address \_\_\_\_\_

[T.D. 7536, 43 FR 13516, Mar. 31, 1978. Redesignated by T.D. 8066, 51 FR 14, Jan. 2, 1986]

### § 48.4041-16 Sales for export.

(a) *General rule.* In order for a sale to be exempt from tax under section 4041 as a sale for export, it is necessary that the liquid be (1) identified as having been sold by the retailer for export and (2) exported in due course. To establish exemption from tax in the case of a taxable article for export, it is necessary that the retailer maintain adequate records and have in his possession documentary evidence showing that the article was so sold.

(b) *Proof of exportation.* Exportation may be evidenced by any one of (1) a copy of the export bill of lading issued by the delivering carrier, (2) a certificate by the agent or representative of the export carrier showing actual exportation of the liquid, (3) a certificate of landing signed by a customs officer of the foreign country to which the liquid is exported, or (4) a statement of the foreign consignee showing receipt of the liquid.

(c) *Shipment to possessions of the United States.* The same provisions as relate to sales for export and proof of exportation will apply to sales for shipment to a possession of the United States, within the meaning of § 48.0-2.

[T.D. 7536, 43 FR 13516, Mar. 31, 1978. Redesignated by T.D. 8066, 51 FR 14, Jan. 2, 1986]

### § 48.4041-17 Tax-free retail sales to certain nonprofit educational organizations.

(a) *In general.* The taxes imposed by section 4041 do not apply in the case of a sale of any liquid by any person to a nonprofit educational organization (as

defined in paragraph (b) of this section) for its exclusive use, or in the case of the use of any liquid by such an organization. In the case of a school operated as an activity of an organization described in section 501(c)(3), as referred to in paragraph (b) of this section, the liquid must be sold for the exclusive use of the school, or the liquid must be used exclusively by the school.

(b) *Definition of nonprofit educational organization.* For purposes of section 4041(g)(4) and this section, the term "nonprofit educational organization" means an organization described in section 170(b)(1)(A)(ii), that is exempt from income tax under section 501(a), whose primary function is the presentation of formal instruction and which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on. The term also includes a school operated as an activity of an organization described in section 501(c)(3) which is exempt from income tax under section 501(a), provided such school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.

(c) *Evidence required to establish tax-free sales to a nonprofit educational organization; general rule.* To establish the right to exemption, the retailer must obtain from the purchaser and retain in its possession a properly executed certificate as set forth in paragraph (d) of this section.

(d) *Forms of exemption certificates.* The following forms of exemption certificates will be acceptable for the purpose of this section and must be adhered to in substance.

(1) Form of certificate for exemption from retailers excise taxes for use by a nonprofit educational organization, other than a school operated as an activity of a church or other exempt organization that in itself is not a nonprofit educational organization.

#### EXEMPTION CERTIFICATE

(For use by a nonprofit educational organization (other than a school operated as an